

Mega Trucking Company Limited

Report and financial statements

31 December 2017

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COMPANIES HOUSE

Mega Trucking Company Limited

Registered No: 02681656

Directors

Ewals Cargo Care Transport BV
B Ewals

Secretary

B Ewals

Auditors

KPMG LLP
Botanic House
100 Hills Road
Cambridge
CB2 1AR

Bankers

BNP Paribas
10 Harewood Avenue
London
NW1 6AA

Registered office

Charter Court
Stephenson Road
Colchester Business Park
Colchester
Essex
CO4 9QE

Strategic report

The directors present their strategic report for the year ended 31 December 2017.

Business review

Mega Trucking Company Limited is a truck operator providing services to UK based logistics providers. The company is exclusively involved in the UK logistics market. The company operates, principally, from two sites, Alconbury in Cambridgeshire and Ellesmere Port in Cheshire.

The company has negotiated a fuel price mechanism which compensates the company for any fluctuations in the price of diesel. Additionally the company has positioned itself, in terms of use of agency labour and short term rental trucks, to mitigate any short and long term fluctuations in business activity. The company has endeavoured to increase the number of employed drivers during the year in an attempt to mitigate the effects of a perceived driver shortage.

The company's turnover has decreased from £7,339,540 in 2016 to £6,876,396 in 2017. This reduction of 6.3% is a reflection of more trucks working single shifted but sales rates being adjusted, in part, to reflect the change in utilisation. The average fuel price was lower in the year which coupled with a large reduction in insurance costs caused by a significantly better claims history resulted in an improved result for the year.

The company has achieved a pre-tax profit of £108,156 (2016: profit of £85,890) and a retained profit of £87,259 (2016: profit of £68,625).

Key performance indicators are as follows:

	2017	2016
Gross margin	10.64%	9.63%
Operating margin	1.57%	1.17%

Although no specific statistics are available the company aims to consider the welfare of its staff at all times whilst operating with an awareness and responsibility towards key environmental issues.

Future Developments

The company expects that the trading conditions in 2018 will be similar to that experienced in 2017. Pressure on margins are expected to remain constant during the year.

Principal risks and uncertainties

The company expects that uncertainties in the overall logistics market will be maintained for the foreseeable period, principally caused by Brexit. The possible ramifications are volume reductions but the company is actively looking to mitigate any possible impact. The logistics market already acknowledges that there is a shortage of drivers within the United Kingdom, currently European Union drivers fill the shortfall. This balancing factor is expected to worsen.

Signed by



B Ewals
Director

27th July 2018

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2017. The business review, future developments and principal risks and uncertainties have been included in the strategic report on page 2.

Results and dividends

The profit for the year amounted to £87,259 (2016 profit: £68,625). The directors do not recommend the payment of a dividend for the year (2016: Nil).

Directors and directors' interest

These are the directors that held office during the period:

Ewals Cargo Care Transport BV
B Ewals

The directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Disclosure of information to the auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all steps that it ought to have taken as a director to make itself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution to reappoint KPMG LLP as auditors will be put to the members at the Annual General Meeting.

Post balance sheet events

There are no post balance sheet events.

Signed by



B Ewals
Director

27th July 2018

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or to have no realistic alternative but to do so.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report

to the members of Mega Trucking Company Limited

Opinion

We have audited the financial statements of Mega Trucking Company Limited ('the company') for the year ended 31 December 2017 which comprise the Profit and loss account, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going Concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our responsibilities are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision or users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not expect or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

S Beavis

Stephanie Beavis (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Botanic House
100 Hills Road
Cambridge
CB2 1AR

27 July 2018

Mega Trucking Company Limited

Profit and loss account

for the year ended 31 December 2017

		2017	2016
	Notes	£	£
<i>Turnover</i>	2	6,876,396	7,339,540
Cost of sales		<u>(6,144,709)</u>	<u>(6,632,666)</u>
<i>Gross profit</i>		731,687	706,874
Administrative expenses		<u>(623,531)</u>	<u>(620,984)</u>
<i>Operating profit</i>	3	108,156	85,890
<i>Profit before taxation</i>		108,156	85,890
Tax on profit	5	<u>(20,897)</u>	<u>(17,265)</u>
<i>Profit for the financial year</i>		<u>87,259</u>	<u>68,625</u>

All amounts relate to continuing operations.

There were no recognised gains and losses other than the profit for the financial year.

The notes on pages 10 to 14 form part of these financial statements.

Mega Trucking Company Limited

Balance sheet

at 31 December 2017

	Notes	£	2017 £	£	2016 £
Current assets					
Debtors	6	1,461,812		1,280,950	
Cash at bank and in hand		120,843		82,830	
		<u>1,582,655</u>		<u>1,363,780</u>	
Creditors: amounts falling due within one year	7	<u>(555,145)</u>		<u>(423,529)</u>	
Net current assets			1,027,510		940,251
Total assets			<u>1,027,510</u>		<u>940,251</u>
Capital and reserves					
Called up share capital	10		10,000		10,000
Profit and loss account	11		1,017,510		930,251
Shareholders' funds	11		<u>1,027,510</u>		<u>940,251</u>

Company registration number 02681656

These financial statements were approved by the board of directors on 27th July 2018 and were signed on its behalf by:


B Ewals
Director

The notes on pages 10 to 14 form part of these financial statements.

Mega Trucking Company Limited

Statement of Changes in Equity
for the year ended 31 December 2017

	Called up share capital £	Profit & loss account £	Total equity £
Balance at 1 January 2016	10.000	861.626	871.626
Total comprehensive income for the period			
Profit or loss	-	68.625	68.625
Total comprehensive income for the period	-	68.625	68.625
Balance at 31 December 2016	10.000	930.251	940.251
Balance at 1 January 2017	10.000	930.251	940.251
Total comprehensive income for the period			
Profit or loss	-	87.259	87.259
Total comprehensive income for the period	-	87.259	87.259
Balance at 31 December 2017	10.000	1.017.510	1.027.510

The notes on pages 10 to 14 form part of these financial statements.

Notes to the financial statements

1 Accounting Policies

Mega Trucking Company Limited (the 'Company') is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 02681656 and the registered address is Charter Court, Stephenson Road, Colchester Business Park, Colchester, Essex, CO4 9QE

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is sterling.

The largest and smallest group in which the results of the company is consolidated is that of which Ewals Holdings BV is the parent company. The group financial statements can be obtained from the Chamber of Commerce, Venlo, The Netherlands. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash flow statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going Concern

The company's forecasts and projections, taking account of expectations in positive changes in trading performance, show that the company is expected to generate positive cash flows on its own account for the foreseeable future.

On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in the annual financial statements.

Related parties transactions

The company is a wholly owned subsidiary of Ewals Cargo Care Transport BV, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 102 from disclosing transactions with members or investees of the Ewals Cargo Care Transport group.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or valuation of each asset evenly over its expected useful life, as follows:

Plant & machinery - 20% to 33%

The carrying value of tangible fixed assets is reviewed for impairment in periods where events or changes in circumstances indicated that the carrying value may not be recoverable.

Taxation

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Notes to the financial statements (continued)

1 Accounting Policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

Turnover is wholly attributable to the principal activity of the company after deducting trade discounts and value added tax where appropriate. Turnover is attributable to the UK region.

3 Operating profit

This is stated after charging:

	2017 £	2016 £
Auditors' remuneration - audit of these financial statements	<u>10.800</u>	<u>10.800</u>
Operating leases	<u>1.102.777</u>	<u>1.038.319</u>

4 Staff costs

	2017 £	2016 £
Wages and salaries	2.195.564	2.482.611
Social security costs	211.704	240.678
Other pension costs	61.305	67.742
	<u>2.468.573</u>	<u>2.791.031</u>

The average number of employees during the year was as follows:

	2017 No.	2016 No.
Drivers	67	77
Administrative staff	14	13
	<u>81</u>	<u>90</u>

The directors did not receive any emoluments during the year (2016: Nil).

Notes to the financial statements (continued)

5 Taxation

	2017 £	2016 £
<i>UK corporation tax</i>		
Current tax on income for the period	20,897	17,265
Current tax charge for period	20,897	17,265
Deferred tax (see note 9)	-	-
Tax on profit on ordinary activities	20,897	17,265

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2015: lower) than the standard rate of corporation tax in the UK. The differences are explained below.

	2017 £	2016 £
<i>Total tax reconciliation</i>		
Profit after tax	87,259	68,625
Total tax charge for the year	20,897	17,265
Profit on ordinary activities before taxation	108,156	85,890
Average rate of tax for year at 19.25% (2016: 20%)	20,820	17,178
<i>Effects of</i>		
Expenses not deductible	176	186
Other timing differences	(99)	(99)
Total tax (see above)	20,897	17,265

Factors affecting the tax charge in future years

The standard rate of corporation tax in the UK reduced from 20% to 19% with effect from 1 April 2017. Accordingly the Company's profit for this accounting period are taxed at an effective rate of 19.32%. The standard rate will fall further to 18% with effect from 1 April 2020. These rates were enacted during the current period and deferred tax balances have been stated at a rate of 18%.

6 Debtors

	2017 £	2016 £
Trade debtors	1,180,335	1,093,173
Amounts owed by group undertakings	-	1,680
Other debtors	242,121	146,715
Prepayments and accrued income	39,356	39,382
	1,461,812	1,280,950

7 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	256,904	137,193
Amounts owed to group undertakings	9,437	-
Corporation tax	20,897	17,265
Other taxes and social security	61,149	74,317
Accruals and deferred income	206,758	194,754
	555,145	423,529

Notes to the financial statements (continued)

8 **Deferred Tax**

No deferred tax has been recognised in either the current or prior years.

The element of unprovided deferred tax assets is as follows:

	2017 £	2016 £
Depreciation in advance of capital allowances	<u>317</u>	<u>451</u>

9 **Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered scheme. At the year end unpaid contributions amounted to £6,708 (2016: £8,155)

10 **Share capital**

Allotted, called up and fully paid

	No	2017 £	No	2016 £
Ordinary shares of £1 each	10.000	<u>10.000</u>	10.000	<u>10.000</u>

11 **Reconciliation of shareholders' funds and movement on reserves**

	Share capital £	Profit & loss account £	Total share- holders funds £
At 1 January 2016	10.000	861.626	871.626
Profit for the year	-	68.625	68.625
At 31 December 2016	<u>10.000</u>	<u>930.251</u>	<u>940.251</u>
Profit for the year	-	87.259	87.259
At 31 December 2017	<u>10.000</u>	<u>1.017.510</u>	<u>1.027.510</u>

Notes to the financial statements (continued)

12 Operating lease commitments

As at 31 December 2017 the company had total commitments under non-cancellable operating leases for trucks as set out below:

	2017 £	2016 £
Less than one year	60.790	56.955
Between one and five years	1.757.012	1.380.741
At 31 December 2017	<u>1.817.802</u>	<u>1.437.696</u>

13 Ultimate Parent Company

The company's immediate parent company at the year end is Ewals Cargo Care Transport BV, Arienstraat 61-63, 5931 HM Tegelen, The Netherlands, incorporated in the Netherlands. The largest and smallest group in which the results of the company are consolidated is that of which Ewals Holdings BV is the parent company. The group financial statements can be obtained from The Chamber of Commerce, Venlo, The Netherlands.

The ultimate controlling party is considered to be Ewals Holdings BV, a company incorporated in the Netherlands.

14 Post balance sheet events

There are no post balance sheet events.